

## A million dollar niche

The Division of International Trade & Market Development (ITMD) announced results of its campaign to introduce Alaska seafood to deluxe hotels in Seoul and other Korean cities. From July 2000 through the end of October 2001, Korean hotels have purchased approximately one million dollars worth of salmon, halibut, crab, scallops and other Alaska products to serve at promotional events and on regular menus.

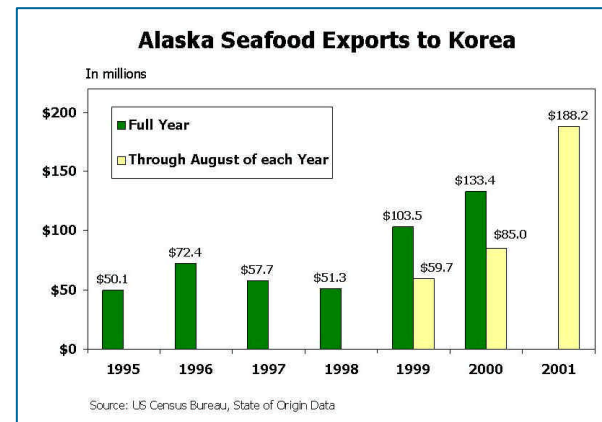
"I am delighted to see the successful beginning of a new niche market for Alaska seafood in Alaska's second largest customer, Korea," said Deborah B. Sedwick, Commissioner of the state's Department of Community and Economic Development. "This is especially important because many of the purchases are from smaller Alaska-based companies and processors. We will continue to encourage these deluxe hotels to serve the world's best seafood to their customers," Sedwick said.

"This has proven to be a very successful niche market for introducing Alaska seafood," said Greg Wolf, International Trade Director for the state. "These are first-time buyers of our seafood and, based on the positive response they have received from their customers, these hotels are now making ongoing purchases for their restaurants."

Seafood exports to Korea have risen dramatically during the past year. Exports of seafood from Alaska to Korea totaled \$130 million in 2000. During the first eight months of 2001, seafood exports to Korea are up to \$188 million, an increase of over 120%.

These two major promotions, "Cool Alaska!" and "Discover Alaska Seafood!", as well as Alaska seafood events at other hotels, and the education of Korean hotel chefs and managers, have led to purchases of Alaska seafood by eight major hotels in Seoul, Pusan and Kyangju, Korea.

"The promotions are important because they make for a big focus on Alaska," said Shelley James, Korea trade specialist for the state. "But the long-term goal is having Alaska products on these hotel menus day in and day out, meaning regular orders for Alaska suppliers. We want this niche market in Korea to continue and to grow, and that is the purpose of the missions and the promotions," said James.



### Creating a Niche Market in Korea: A Timeline

#### 1997-1998

- Korea hit by Asian economic crisis

#### 1999

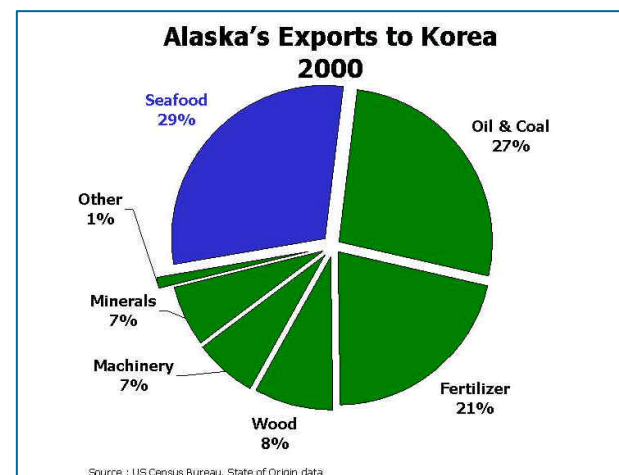
- Alaska Trade Rep translates ASMI Suppliers' Directory into Korean
- **Alaska Seafood Festival and Seminar** at Westin Chosun Hotel. 63 buyers plus press and others attend. Hotel buys \$25,000 of Alaska seafood
- 4-member **seafood buying mission** to Anchorage, the Kenai Peninsula, Kodiak and Juneau
- Ritz Carlton **Alaska Crab Festival**

#### 2000

- Seoul Plaza **Alaska Halibut Festival**
- Grand Intercontinental Seoul **Alaska Seafood Festival**
- State organizes **chef mission** to Alaska. Six of Korea's great chefs meet with Alaska chefs and seafood suppliers
- **Seafood buyers mission** to Alaska, organized by US Agricultural Trade Office and ITMD
- Westin Chosun Hotel **Alaska seafood promotion**
- Sheraton Walker Hill **Alaska seafood event. Guest Chef: Viktor Schmidt** of Sheraton Anchorage

#### 2001

- **Chef mission** to Alaska: Ten chefs learn about Alaska seafood from great Alaska chefs in Anchorage, Girdwood and Homer
- **"Cool Alaska!"** Westin Chosun and other Westin properties
- Hotel Lotte Seoul holds three-month promotion of Alaska seafood
- **Alaska Seafood promotion** at Grand Hyatt, Seoul, including 4<sup>th</sup> of July celebration
- **"Discover Alaska Seafood!"** Hotel Lotte Pusan. **Guest Chef: Al Levinsohn** of Alyeska Resort.



# Trade Highlight Report

Special Report No. 1

November 2001

550 W. 7<sup>th</sup> Avenue, Suite 1770 Anchorage, Alaska 99501-3510 Phone: (907) 269-8110 Fax: (907) 269-8125

## A Niche Market in Korea

### Background

Alaska is one of the most trade-oriented states in America, and international trade is big business here.

In 2000, Alaska's worldwide exports held steady at \$2.5 billion. Exports bring new money into the local economy, and they support the jobs of thousands of Alaskans. While Alaska companies export to more than 70 countries, most of our products go to a few markets (see graphs). It makes sense. Asia is nearby, the transportation links are there, and Asian economies need the natural resources that Alaska can provide.

As Governor Tony Knowles said, "Keeping Alaska competitive depends on the hard work of people, organizations and private businesses. Government's role is opening doors, creating a friendly business climate and designing policies that let you in the private sector do your business."



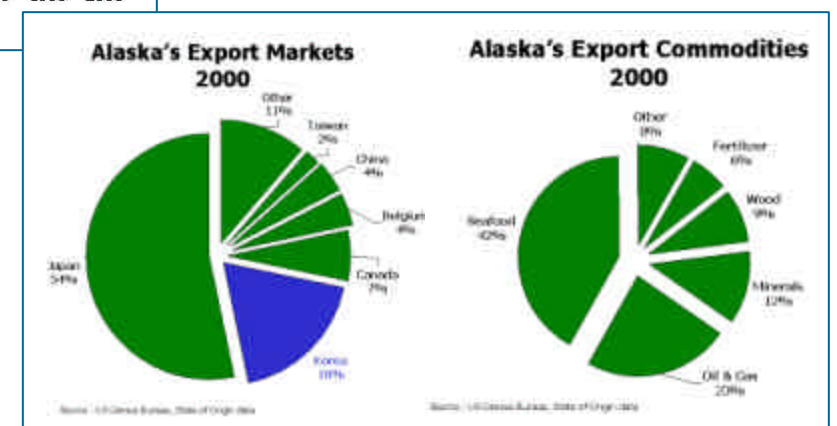
**The Division of International Trade and Market Development (ITMD)** is the arm of state government whose mission is to help Alaska companies export. Trade specialists with expertise in Alaska's major markets -- Japan, Korea, Canada, China, Taiwan and the Russian Far East (RFE) -- are based in Anchorage and work with Alaska companies statewide. Alaska trade representatives on the ground in Japan, Korea, Taiwan and the RFE educate buyers there about

what Alaska has to offer. Local and overseas resources are there for Alaska companies: introducing buyers to sellers, providing market information, and organizing opportunities for Alaskans to enter these markets, such as catalogs, trade shows and trade missions.

Finding niche market opportunities overseas is a way ITMD helps Alaska companies. This is an example of government and industry working together, identifying a potential niche market and going for it.

**Korea** is Alaska's second largest export market. In 1997-98 exports fell, a result of the Asian economic crisis. ITMD urged Alaska companies to stay the course, expecting Korea to recover. While Koreans donated gold jewelry to help the country recover, deluxe hotels in Seoul were full of executives and their restaurants were packed. These hotel restaurants were perfect for Alaska seafood: quality and demand; and transportation links, especially air cargo, in place. Selling Alaska seafood here would help both seafood and air cargo sectors.

ITMD, in partnership with seafood suppliers, air cargo carriers, Alaska Seafood Marketing Institute, freight forwarders, chefs and others went to work educating the Korean market and introducing buyers to sellers via seminars, missions and promotions. On the following pages, highlights and results of two major promotions in 2001 are summarized.





## “Cool Alaska!” gets warm welcome in Seoul

Throughout the month of July, 2001, when the weather in Seoul was hot and muggy, Koreans in great numbers had the opportunity to visit “Cool Alaska!” This promotion was held at the Westin Chosun Hotel and other Westin properties in Seoul and Pusan, including the main restaurant at COEX, one of Asia’s largest convention and exhibition centers.

ITMD organized this major promotion of Alaska seafood and Alaska as a tourist destination, with the help of underwriters -- the hotel, Korean Air, the U.S. Agricultural Trade Office and importer SS Foods; and partners -- Kachemak Bay Seafoods, Deep Creek Custom Packing Company, Glacier Ice Company, Alaskan Brewery and Panalpina. The Alaska Seafood Marketing Institute (ASMI) provided promotional materials, as did the Alaska Travel Industry Association (ATIA) and the Anchorage Convention and Visitors Bureau (ACVB).

“Cool Alaska!” included a special Alaska seafood menu, performances by the King Island Dancers, appearances by Miss Alaska, and a chunk of 5,000-year-old glacier ice in the hotel lobby – all of which brought nationwide media attention and customers. A special bonus: at the US Embassy’s 4th of July event in Seoul, Miss Alaska Eugenia Primis sang the National Anthem, the King Island Dancers performed, and Alaska seafood was served, to the delight of hundreds of guests.

The state also arranged a small trade mission of private sector tourism and seafood executives, plus state officials and legislators, to kick off the “Cool Alaska!” promotion and meet with potential Korean customers.



Miss Alaska Eugenia Primis shows Alaska seafood to enthusiastic Seoul media. Behind her is a piece of an Alaska glacier, harvested by Glacier Ice Co. and shipped on Korean Air.



Korean kids agree, Alaska is Cool!



Ribbon-cutting for “Cool Alaska!” in the Westin Chosun Hotel lobby, July 2, 2001. L-R: Bernhard Brender, General Manager, Westin Chosun; Senator John Cowdery, Miss Alaska Eugenia Primis; Greg Wolf, Alaska Director of International Trade; Kyung Chak Chang, President & CEO, Westin Chosun Hotel; Representative Lesil McGuire; Bruce Bustamante, President and CEO, Anchorage Convention & Visitors Bureau; S.I. Nam, President, SS Foods; and Bill Sullivan, President, Kachemak Bay Seafoods.



## “Discover Alaska Seafood!” in Korea’s second city



Al Levinsohn, “Discover Alaska Seafood!” guest chef and Alyeska Prince Executive Chef, and Lotte Pusan hotel staff show off Alaska seafood to a gathering of dignitaries and media.



Pusan is Korea’s major port, and second largest city. Its largest hotel, located in the middle of downtown, is the Hotel Lotte Pusan. This is a mega-size luxury hotel with over nine hundred guestrooms and fourteen restaurants serving up local and international cuisine.

During September and October 2001, ITMD and the Hotel Lotte Pusan organized “Discover Alaska Seafood!” a major promotion. Korean Air and Alyeska Resort Executive Chef Al Levinsohn teamed with the division to support and participate in this two-month event showcasing Alaska seafood and Alaska as a destination to people living in or visiting Pusan.

“Discover Alaska Seafood!” included special Alaska seafood menus in five hotel restaurants, promotional materials from ASMI, cooking demonstrations by guest chef Levinsohn promoting Alaska seafood, a VIP and media kick-off, plus souvenirs and “lucky draw” prizes of air tickets from Pusan to Alaska on Korean Air. There were Alaska-theme decorations throughout the hotel, bringing visitors’ attention to the promotion. Video monitors throughout the hotel’s high-traffic areas played videotapes on Alaska as a tourism destination.

A number of American government and Korean business dignitaries traveled to Pusan in order to participate in the ribbon-cutting ceremony (see photo). As with “Cool Alaska,” this event generated considerable media attention, including coverage by television networks, newspapers and magazines.



Ribbon-cutting for “Discover Alaska Seafood!” at the Hotel Lotte Pusan, September 1, 2001. L-R: Al Levinsohn, Executive Chef, Alyeska Prince Hotel; S.I. Nam, President, S S Foods; Seung Soon Lee, Executive Director, Hotel Lotte Pusan; Kun-Ho Cho, Executive Vice Chairman, Korea-US Economic Conference; Greg Wolf, Director, Alaska Division of International Trade & Market Development; Il-Kwon Son, President, Hotel Lotte Pusan; John Peters, Minister Counselor, U.S. Commercial Service, Seoul; Seung Woong Kim, Executive Managing Director, Hotel Lotte Pusan; Daryl Brehm, Director, U.S. Agricultural Trade Office, Seoul.